

Sample

Mark-to-Market Notification to HUD Project Manager of Ineligible Lite and Market Rent Determination

Form 10.4(c)

From: OAHP Preservation Office Director

To: HUD Project Manager

Transmission: Overnight Hard Copy

(date)

Project Name: _____

FHA Number: _____

Section 8 HAP Contract Number: _____

REMS ID Number: _____

Please check the appropriate box:

- ☐ First Notice
- ☐ Revised Notice Based on Appeal

Dear [insert name of HUD Project Manager]:

The attached letter has been sent to the owner of the subject property after determining that this property is ineligible for Mark-to-Market due to market rents that are above the current HAP contract rents. OAHP has determined the following market rents for this project:

1BR \$_____

2BR \$_____

3BR \$_____

4BR \$_____

[Insert other unit sizes if necessary]

This property may be eligible for Mark Up to Market. Please note that:

- OAHP has reviewed the financial condition of this property and has determined that at the recommended rents shown above **[this property should be able to continue to meet its operating expenses, reserve for replacement deposit needs, and current debt service obligations.]** OR **[this property is not likely to have sufficient cash flow to continue to meet its operating expenses, reserve for replacement deposit needs, and current debt service obligations.]**

- [OTHER] {please use this space to indicate anything uncovered by PAE when reviewing 3rd party reports or underwriting the expenses, especially in terms of physical condition which MF should be aware of}

We are providing the materials we have available on this property for your assistance in determining the next steps regarding this property. Please do not hesitate to contact [insert OAHF DRS name] at [insert phone].

Sincerely,

OAHF Preservation Office Director

cc: Section 8 Contract Administrator
 PAE

Enclosed: Copy of Form 10.4(a) or other appropriate form Notification to Owner

[Copy of narrative, financial analyses, PCA, and other information on the property's condition, as appropriate.]